



General Assembly

Substitute Bill No. 6785

January Session, 2005

* _____ HB06785PD _____ 040105 _____ *

AN ACT CONCERNING THE USE OF ABANDONED PROPERTY BOND FUNDS FOR THE HOUSING TRUST FUND PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-62h of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section and section 2 of this act, the following
4 terms shall have the following meanings, unless the context clearly
5 indicates a different meaning or intent:

6 (1) "Abandoned property receipts" means the cash portion of all
7 funds received under sections 3-56a to 3-76, inclusive.

8 (2) "Abandoned property fund bond or bonds" means one or more
9 Special Abandoned Property Fund obligation bonds authorized to be
10 issued pursuant to this section and, unless otherwise indicated, any
11 bonds issued to refund such abandoned property fund bonds.

12 (3) "Authority" means the Connecticut Housing Finance Authority.

13 [(3)] (4) "Debt service requirements" means, for any period, and
14 subject to the provisions of this section and the proceedings
15 authorizing the issuance of abandoned property fund bonds, the sum
16 of (A) the principal and interest accruing during such period with
17 respect to abandoned property fund bonds, (B) the amounts, if any,

18 required during such period to establish or maintain reserves, sinking
19 funds or other funds or accounts at the respective levels required to be
20 established or maintained therein, (C) expenses of issuance and
21 administration with respect to abandoned property fund bonds as
22 determined by the Treasurer, (D) the amounts, if any, becoming due
23 and payable under a reimbursement agreement, a swap agreement or
24 similar agreement entered into in connection with the abandoned
25 property fund bonds, and (E) any other costs or expenses deemed by
26 the Treasurer to be necessary or proper to be paid in connection with
27 the abandoned property fund bonds, including, without limitation, the
28 cost of any credit facility, including but not limited to a letter of credit
29 or policy of bond insurance or any cost incurred under section 3-20a.

30 (5) "Eligible applicant" means: (A) A nonprofit entity; (B) a
31 municipality; (C) a housing authority; (D) a community development
32 financial institution; (E) a business corporation incorporated pursuant
33 to chapter 601 or any predecessor statutes thereto or authorized to do
34 business pursuant to chapter 601 having as one of its purposes the
35 construction, financing, acquisition, rehabilitation or operation of
36 affordable housing, and having a certificate or articles of incorporation
37 approved by the Connecticut Housing Finance Authority; (F) any
38 partnership, limited partnership, limited liability company, joint
39 venture, sole proprietorship, trust or association having as one of its
40 purposes the construction, financing, acquisition, rehabilitation or
41 operation of affordable housing and having basic documents or
42 organization approved by the Connecticut Housing Finance Authority;
43 or (G) any combination thereof.

44 (6) "Housing", "housing development" or "development" means a
45 work or undertaking having as its primary purpose the provision of
46 safe, well-designed and adequate housing and related facilities for low
47 and moderate income families and persons and includes existing
48 housing for low and moderate income families and persons and
49 housing whose primary purpose is to provide dwelling
50 accommodations for low and moderate income families and persons
51 but has dwelling accommodations for others, and excludes housing

52 that received assistance under the moderate rental housing program
53 established pursuant to chapter 128.

54 (7) "Housing Trust Fund for Economic Growth and Opportunity" or
55 "trust fund" means the Housing Trust Fund for Economic Growth and
56 Opportunity created under this section.

57 (8) "Housing trust fund program" or "program" means the housing
58 trust fund program developed and administered under section 2 of
59 this act.

60 (9) "Low and moderate income families and persons" means families
61 and persons whose income falls within the income guidelines of the
62 Connecticut Housing Finance Authority, as amended from time to
63 time.

64 [(4)] (10) "Pledged revenues" means all receipts of the state credited
65 to and held in the Special Abandoned Property Fund pursuant to the
66 provisions of this section, as amended from time to time.

67 [(5)] (11) "Proceedings" means the proceedings of the State Bond
68 Commission authorizing or relating to the issuance of abandoned
69 property fund bonds, the provisions of any indenture of trust securing
70 abandoned property fund bonds, which provisions are incorporated
71 into such proceedings and the provisions of any other documents or
72 agreements which are incorporated into such proceedings and to the
73 extent applicable the determination of the Treasurer.

74 [(6)] (12) "Special Abandoned Property Fund" means the Special
75 Abandoned Property Fund created under this section.

76 [(7)] (13) "Special Abandoned Property Fund financing costs"
77 includes (A) amounts necessary to create and maintain reserves for the
78 payment of the principal of and interest on any such abandoned
79 property fund bonds, and (B) payment of costs, fees and expenses
80 which the Treasurer may deem necessary or advantageous in
81 connection with the authorization, sale, issuance and administration of

82 abandoned property fund bonds including, but not limited to,
83 underwriters' discount.

84 [(8)] (14) "State Bond Commission" means the commission
85 established under section 3-20.

86 [(9)] (15) "Treasurer" means the State Treasurer and includes each
87 successor in office or authority.

88 (b) There is established a fund to be known as the "Special
89 Abandoned Property Fund". [The] Said fund may contain any moneys
90 required or permitted by the proceedings to be deposited in the fund
91 and shall be held by the Treasurer separate and apart from all other
92 moneys, funds and accounts. Investment earnings credited to the
93 assets of said fund shall become part of the assets of said fund. Any
94 balance remaining in said fund at the end of any fiscal year shall be
95 carried forward in said fund for the fiscal year next succeeding.

96 (c) (1) There is established a fund to be known as the "Housing Trust
97 Fund for Economic Growth and Opportunity". Said fund shall be held
98 by the Treasurer separate and apart from all other moneys, funds and
99 accounts. The proceeds of the abandoned property fund bonds in
100 accordance with the proceedings and all moneys received in return for
101 financial assistance awarded from the Housing Trust Fund for
102 Economic Growth and Opportunity pursuant to the housing trust fund
103 program established under section 2 of this act shall be credited to the
104 Housing Trust Fund for Economic Growth and Opportunity. All
105 private contributions made to the Housing Trust Fund for Economic
106 Growth and Opportunity shall be credited to the Housing Trust Fund
107 for Economic Growth and Opportunity. Investment earnings credited
108 to the assets of said fund shall become part of the assets of said fund.
109 The Housing Trust Fund for Economic Growth and Opportunity shall
110 not lapse and any balance remaining in the Housing Trust Fund for
111 Economic Growth and Opportunity at the end of any fiscal year shall
112 be carried forward in said fund for the fiscal year next succeeding. The
113 Treasurer shall invest the moneys held by the Housing Trust Fund for

114 Economic Growth and Opportunity subject to use for financial
115 assistance under the housing trust fund program.

116 (2) The moneys of the Housing Trust Fund for Economic Growth
117 and Opportunity shall be used to fund the housing trust fund program
118 established under section 2 of this act.

119 [(c)] (d) As provided in the proceedings, the Treasurer shall deposit
120 all abandoned property receipts in the Special Abandoned Property
121 Fund to pay and secure the abandoned property fund bonds and the
122 debt service requirements.

123 [(d)] (e) The Treasurer shall apply the resources in the Special
124 Abandoned Property Fund, upon their receipt, first, to pay or provide
125 for the payment of debt service requirements, as defined in this
126 section, at such time or times, in such amount or amounts and in such
127 manner, as provided by the proceedings authorizing the issuance of
128 abandoned property fund bonds; second, to pay Special Abandoned
129 Property Fund financing costs; third, to pay all costs incident to the
130 collection and recovery of such abandoned property receipts and any
131 other property collected and recovered under sections 3-56a to 3-76,
132 inclusive; and fourth, to deposit in the General Fund.

133 [(e)] (f) The State Bond Commission may, [prior to June 30, 2005,] for
134 the purpose of disbursing funds to the Housing Trust Fund for
135 Economic Growth and Opportunity, authorize the issuance of
136 abandoned property fund bonds in one or more series, [and in
137 principal amounts not to exceed sixty] At no time shall the outstanding
138 principal amount of the abandoned property fund bonds exceed the
139 aggregate principal amount of one hundred million dollars plus such
140 additional amount of abandoned property fund bonds required to
141 fund Special Abandoned Property Fund financing costs, including
142 reserves, in accordance with the proceedings authorizing the
143 abandoned property fund bonds, [for the purpose of disbursing funds
144 to the General Fund in support of state programs.] In computing the
145 total amount of abandoned property fund bonds which may be

146 outstanding at any one time, the principal amount of any refunded
147 abandoned property fund bonds shall be excluded. Prior to the
148 issuance of any series of abandoned property fund bonds, the
149 Treasurer shall execute a certificate, which shall become part of the
150 proceedings, stating that, in the Treasurer's reasonable determination,
151 during each annual period such bonds are outstanding, abandoned
152 property receipts will be at least equal to the sum of (1) the debt
153 service requirements, (2) all costs incident to the collection and
154 recovery of such abandoned property receipts and any other property
155 collected and recovered under sections 3-56a to 3-76, inclusive, and (3)
156 the amounts returned to abandoned property claimants from the
157 resources of the General Fund. In making such determination, the
158 Treasurer may rely upon reports and estimates of such experts as the
159 Treasurer deems appropriate, may extrapolate from experience
160 relating to abandoned property receipts, costs and returns or may use
161 any other reasonable methodology. Such abandoned property fund
162 bonds are hereby determined to be issued for valid public purposes in
163 the exercise of essential government functions.

164 [(f)] (g) The debt service requirements with respect to any
165 abandoned property fund bonds shall be secured by (1) a first call
166 upon the pledged revenues as they are deposited to the Special
167 Abandoned Property Fund; and (2) a lien upon any and all amounts
168 held in and to the credit of the Special Abandoned Property Fund from
169 time to time.

170 [(g)] (h) Such abandoned property fund bonds shall be special
171 obligations of the state and shall not be payable from or charged upon
172 any funds other than the pledged revenues or other receipts, funds or
173 moneys pledged therefor and deposited in the Special Abandoned
174 Property Fund and the state or any political subdivision thereof shall
175 not be subject to any liability thereon, except to the extent of such
176 pledged revenues or other receipts, funds or moneys pledged therefor
177 as provided in this section. The issuance of abandoned property fund
178 bonds shall not directly or indirectly or contingently obligate the state
179 or any political subdivision thereof to levy or to pledge any form of

180 taxation whatever therefor, or to make any additional appropriation
181 for their payment. Such abandoned property fund bonds shall not
182 constitute a charge, lien or encumbrance, legal or equitable, upon any
183 property of the state or of any political subdivision thereof other than
184 the pledged receipts, funds or moneys pledged therefor and deposited
185 in the Special Abandoned Property Fund and the substance of such
186 limitation shall be plainly stated on each such abandoned property
187 fund bond. Notwithstanding any other provision of the general
188 statutes, abandoned property fund bonds shall not be subject to any
189 statutory limitation on the indebtedness of the state, and, when issued,
190 shall not be included in computing the aggregate indebtedness of the
191 state in respect of and to the extent of any such limitation. As part of
192 the contract of the state with the owners of the abandoned property
193 fund bonds, all amounts necessary for the punctual payment of the
194 debt service requirements with respect to the abandoned property
195 fund bonds shall be deemed appropriated, but only from the sources
196 pledged pursuant to this section.

197 [(h) The abandoned property fund bonds may be issued if after
198 authorization the Treasurer and the Secretary of the Office of Policy
199 and Management find that such issuance is necessary to disburse
200 funds to the General Fund in support of state programs.]

201 (i) The abandoned property fund bonds may be executed and
202 delivered at the time or times, shall be dated, shall bear interest at the
203 rate or rates, shall mature at the time or times not exceeding [seven]
204 fifteen years from their date, have the rank or priority, be payable in
205 the medium of payment, be issued in coupon or in registered form, or
206 both, carry the registration and transfer privileges and be made
207 redeemable before maturity at the price or prices and under the terms
208 and conditions, all as may be provided by the proceedings and the
209 Treasurer shall continue to deposit all abandoned property receipts in
210 the Special Abandoned Property Fund to pay the abandoned property
211 fund bonds until such bonds are fully discharged. The Treasurer may
212 determine whether the abandoned property fund bonds or any series
213 thereof shall be issued in such form and manner that the interest on

214 such abandoned property fund bonds may be includable under the
215 Internal Revenue Code of 1986, or any subsequent corresponding
216 internal revenue code of the United States, as from time to time
217 amended, in the gross income of the holders or owners of such
218 abandoned property fund bonds, upon the finding by the Treasurer
219 that the issuance of such taxable abandoned property fund bonds is in
220 the public interest.

221 (j) All of the provisions of section 3-20 with the exception of
222 subsections (i) and (p) of [said] section 3-20 and the exercise of any
223 right or power granted thereby which are not inconsistent with the
224 provisions of this section, are hereby adopted and may be invoked in
225 respect to the abandoned property fund bonds authorized pursuant to
226 this section.

227 (k) Any abandoned property fund bonds may be sold at public sale
228 on sealed proposals or by negotiation in such manner, at such price or
229 prices, at such time or times and on such other terms and conditions of
230 such abandoned property fund bonds and the issuance and sale
231 thereof as the Treasurer may determine to be in the best interests of the
232 state.

233 (l) The proceedings under which abandoned property fund bonds
234 are authorized to be issued may, subject to the provisions of the
235 general statutes, contain any or all of the following: (1) Provisions
236 respecting custody of the proceeds from the sale of the abandoned
237 property fund bonds, including any requirements that such proceeds
238 be held separate from or not be commingled with other funds of the
239 state; (2) provisions for the investment and reinvestment of abandoned
240 property fund bond proceeds until used to pay Special Abandoned
241 Property Fund financing costs and for the disposition of any excess
242 bond proceeds or investment earnings thereon; (3) provisions for the
243 execution of [reimbursement agreements or similar agreements in
244 connection with credit facilities, including, but not limited to, letters of
245 credit or policies of bond insurance, remarketing agreements and
246 agreements for the purpose of moderating interest rate fluctuations,

247 and of such other] agreements or documents entered into pursuant to
248 section 3-20a; (4) provisions for the collection, custody, investment,
249 reinvestment and use of the pledged revenues or other receipts, funds
250 or moneys pledged therefor and deposited in the Special Abandoned
251 Property Fund; (5) provisions regarding the establishment and
252 maintenance of reserves, sinking funds and any other funds and
253 accounts as shall be approved by the Treasurer in such amounts as
254 may be established by the Treasurer, and the regulation and
255 disposition thereof, including requirements that any such funds and
256 accounts be held separate from or not be commingled with other funds
257 of the state; (6) covenants for the establishment of pledged revenue
258 coverage requirements for the abandoned property fund bonds; (7)
259 provisions for the issuance of additional abandoned property fund
260 bonds on a parity with abandoned property fund bonds theretofore
261 issued, including establishment of coverage requirements with respect
262 thereto as provided in this subsection; (8) provisions regarding the
263 rights and remedies available in case of a default to the bondowners,
264 or any trustee under any contract, document, instrument or indenture
265 of trust, including the right to appoint a trustee to represent their
266 interests upon occurrence of an event of default, as defined in said
267 proceedings, provided if any abandoned property fund bonds shall be
268 secured by an indenture of trust, the respective owners of such
269 abandoned property fund bonds shall have no authority except as set
270 forth in such trust indenture to appoint a separate trustee to represent
271 them; and (9) provisions or covenants of like or different character
272 from the foregoing which are determined in such proceedings are
273 necessary, convenient or desirable in order to better secure the
274 abandoned property fund bonds, or will tend to make the abandoned
275 property fund bonds more marketable, and which are in the best
276 interests of the state.

277 (m) Any pledge made by the state pursuant to this section is and
278 shall be deemed a statutory lien. Such lien shall be valid and binding
279 from the time when the pledge is made. The lien of any pledge shall be
280 valid and binding as against all parties having claims of any kind in

281 tort, contract or otherwise against the state, including but not limited
282 to a claim pursuant to sections 3-56a to 3-76, inclusive, irrespective of
283 whether the parties have notice of the claims. Notwithstanding any
284 provision of the Uniform Commercial Code, neither this section, the
285 indenture of trust, the proceedings nor any other instrument by which
286 a pledge is created need be recorded. Any revenues or other receipts,
287 funds or moneys so pledged and thereafter credited to and held in the
288 Special Abandoned Property Fund shall be subject immediately to the
289 lien of the pledge without any physical delivery thereof or further act
290 and such lien shall have priority over all other liens.

291 (n) Abandoned property fund bonds may be secured by an
292 indenture of trust by and between the state and a corporate trustee,
293 which may be any trust company or bank having the powers of a trust
294 company within or without the state. Such indenture of trust may
295 contain such provisions for protecting and enforcing the rights and
296 remedies of the bondowners as may be reasonable and proper and not
297 in violation of law, including covenants setting forth the custody,
298 safeguarding and application of all moneys. The state may provide by
299 such indenture of trust for the payment of the pledged revenues or
300 other receipts, funds or moneys to the trustee under such indenture of
301 trust or to any other depository, and for the method of disbursement
302 thereof, with such safeguards and restrictions as it may determine. All
303 expenses incurred in carrying out such indenture of trust may be
304 treated as Special Abandoned Property Fund financing costs.

305 (o) The Treasurer shall have power to purchase abandoned property
306 fund bonds issued pursuant to this section out of any funds available
307 therefor. The Treasurer may hold, pledge, cancel or resell such
308 abandoned property fund bonds subject to and in accordance with
309 agreements with bondowners.

310 (p) Whether or not any abandoned property fund bonds issued
311 pursuant to this section are of the form and character to qualify as
312 negotiable instruments under the terms of title 42a, the abandoned
313 property fund bonds are hereby made negotiable instruments within

314 the meaning of and for all purposes of said title 42a, subject only to the
315 provisions of the abandoned property fund bonds.

316 (q) Any moneys held by the Treasurer or by a trustee pursuant to an
317 indenture of trust with respect to abandoned property fund bonds
318 including pledged revenues, other pledged receipts, funds or moneys
319 and proceeds from the sale of such abandoned property fund bonds,
320 may, pending the use or application of the proceeds thereof for an
321 authorized purpose, be (1) invested and reinvested in such obligations,
322 securities and investments as are set forth in subsection (f) of section 3-
323 20, in participation certificates in the Short Term Investment Funds
324 created under sections 3-27a and 3-27f and in participation certificates
325 or securities of the Tax-Exempt Proceeds Fund created under section 3-
326 24a or (2) deposited or redeposited in such bank or banks as shall be
327 provided in the proceedings. Unless the proceedings provide
328 otherwise, proceeds from investments authorized by this subsection,
329 less amounts required under the proceedings authorizing the issuance
330 of abandoned property fund bonds for the payment of Special
331 Abandoned Property Fund financing costs relating to such abandoned
332 property fund bonds, shall be credited to the Special Abandoned
333 Property Fund.

334 (r) Any moneys held in the Housing Trust Fund for Economic
335 Growth and Opportunity may, pending the use or application of the
336 proceeds thereof for an authorized purpose, be (1) invested and
337 reinvested in such obligations, securities and investments as are set
338 forth in subsection (f) of section 3-20, in participation certificates in the
339 Short Term Investment Fund created under sections 3-27a and 3-27f
340 and in participation certificates or securities of the Tax-Exempt
341 Proceeds Fund created under section 3-24a, (2) deposited or
342 redeposited in such bank or banks at the direction of the Treasurer, or
343 (3) invested in participation units in the combined investment funds,
344 as defined in section 3-31b. Unless otherwise provided pursuant to
345 subsection (c) of this section, proceeds from investments authorized by
346 this subsection shall be credited to the Housing Trust Fund for
347 Economic Growth and Opportunity.

348 ~~[(r)]~~ (s) Any abandoned property fund bonds at any time
349 outstanding may, at any time and from time to time, be refunded by
350 the state by the issuance of its refunding abandoned property fund
351 bonds in such amounts as the Treasurer may deem necessary, but not
352 to exceed an amount sufficient to refund the principal of the
353 abandoned property fund bonds to be so refunded, to pay any unpaid
354 interest on such abandoned property fund bonds and any premiums
355 and commissions necessary to be paid in connection with such
356 abandoned property fund bonds and to pay costs and expenses which
357 the Treasurer may deem necessary or advantageous in connection with
358 the authorization, sale and issuance of refunding abandoned property
359 fund bonds. Any such refunding may be effected whether the
360 abandoned property fund bonds to be refunded shall have matured or
361 shall thereafter mature. All refunding abandoned property fund bonds
362 issued under this subsection shall be payable solely from the revenues
363 or other receipts, funds or moneys out of which the abandoned
364 property fund bonds to be refunded thereby are payable and shall be
365 subject to and may be secured in accordance with the provisions of this
366 section.

367 ~~[(s)]~~ (t) The state covenants with the purchasers and all subsequent
368 owners and transferees of abandoned property fund bonds, in
369 consideration of the acceptance of and payment for the abandoned
370 property fund bonds, that the principal and interest of such
371 abandoned property fund bonds at all times shall be free from taxation
372 [at all times, except for estate and gift, franchise and excise taxes,]
373 imposed by the state or any political subdivision thereof, except estate,
374 gift, franchise and excise taxes. The Treasurer is authorized to include
375 this covenant of the state in any agreement with the owner of any such
376 abandoned property fund bonds.

377 ~~[(t)]~~ (u) Abandoned property fund bonds issued pursuant to this
378 section are hereby made securities in which all public officers and
379 public bodies of the state and its political subdivisions, all insurance
380 companies, credit unions, building and loan associations, investment
381 companies, banking associations, trust companies, executors,

382 administrators, trustees and other fiduciaries and pension, profit-
383 sharing and retirement funds may properly and legally invest funds,
384 including capital in their control or belonging to them. Such
385 abandoned property fund bonds are hereby made securities which
386 may properly and legally be deposited with and received by any state
387 or municipal officer or any agency or political subdivision of the state
388 for any purpose for which the deposit of bonds or obligations of the
389 state is now or may hereafter be authorized by law.

390 ~~[(u)]~~ (v) The state covenants with the purchasers and all subsequent
391 owners and transferees of abandoned property fund bonds issued by
392 the state pursuant to this section in consideration of the acceptance of
393 the payment for the abandoned property fund bonds, until such
394 abandoned property fund bonds, together with the interest thereon,
395 with interest on any unpaid installment of interest and all costs and
396 expenses in connection with any action or proceeding on behalf of
397 such owners, are fully met and discharged, or unless expressly
398 permitted or otherwise authorized by the terms of each contract and
399 agreement made or entered into by or on behalf of the state with or for
400 the benefit of such owners, that the state will apply the pledged
401 revenues and other receipts, funds or moneys pledged for the payment
402 of debt service requirements as provided in this section, in such
403 amounts as may be necessary to pay such debt service requirements in
404 each year in which such abandoned property fund bonds are
405 outstanding and further, that the state (1) will not limit or alter the
406 duties imposed on the Treasurer and other officers of the state by this
407 section, and by the proceedings authorizing the issuance of abandoned
408 property fund bonds with respect to application of pledged revenues
409 or other receipts, funds or moneys pledged for the payment of debt
410 service requirements as provided in this section; (2) will not issue any
411 bonds, notes or other evidences of indebtedness, other than the
412 abandoned property fund bonds, having any rights arising out of this
413 section or secured by any pledge of or other lien or charge on the
414 pledged revenues or other receipts, funds or moneys pledged for the
415 payment of debt service requirements as provided in this section; (3)

416 will not create or cause to be created any lien or charge on such
417 pledged amounts, other than a lien or pledge created thereon pursuant
418 to this section, provided nothing in this subsection shall prevent the
419 state from issuing evidences of indebtedness (A) which are secured by
420 a pledge or lien which is and shall on the face thereof be expressly
421 subordinate and junior in all respects to every lien and pledge created
422 by or pursuant to this section; or (B) for which the full faith and credit
423 of the state is pledged and which are not expressly secured by any
424 specific lien or charge on such pledged amounts; or (C) which are
425 secured by a pledge of or lien on moneys or funds derived on or after
426 such date as every pledge or lien thereon created by or pursuant to this
427 section shall be discharged and satisfied; (4) will carry out and
428 perform, or cause to be carried out and performed, each and every
429 promise, covenant, agreement or contract made or entered into by the
430 state or on its behalf with the owners of any abandoned property fund
431 bonds; (5) will not in any way impair the rights, exemptions or
432 remedies of the owners of abandoned property fund bonds; and (6)
433 will not limit, modify, rescind, repeal or otherwise alter the rights or
434 obligations of the appropriate officers of the state to collect the funds
435 and other receipts constituting the pledged revenues as may be
436 necessary to produce sufficient revenues to fulfill the terms of the
437 proceedings authorizing the issuance of the abandoned property fund
438 bonds, including pledged revenue coverage requirements, and
439 provided, however, nothing in this subsection shall preclude the state
440 from exercising its power to limit, modify, rescind, repeal or otherwise
441 alter the character or amount of such pledged revenues, if and when
442 adequate provisions shall be made by law for the protection of the
443 owners of the outstanding abandoned property fund bonds. The
444 Treasurer is authorized to include this covenant of the state in any
445 agreement with the owners of any such abandoned property tax
446 bonds.

447 Sec. 2. (NEW) (*Effective from passage*) (a) There is established the
448 housing trust fund program which shall be developed and
449 administered by the Connecticut Housing Finance Authority. The

450 program shall (1) encourage the creation of housing for
451 homeownership at a cost that will enable low and moderate income
452 families to afford quality housing while paying no more than thirty per
453 cent of gross household income on housing, (2) promote the
454 rehabilitation, preservation and production of quality, well-designed
455 housing affordable to low and moderate income families or persons,
456 (3) maximize the leveraging of State funds by encouraging private
457 sector investment in housing developments receiving assistance, (4)
458 encourage housing that maximizes housing choices of residents, (5)
459 enhance economic opportunity for low and moderate income
460 individuals and their families, (6) promote the application of efficient
461 land use that utilizes existing infrastructure and the conservation of
462 open spaces, and (7) encourage the development of housing which
463 aids the revitalization of communities.

464 (b) Financial assistance shall be provided under subsection (a) of
465 this section to eligible applicants, as defined in subdivision (5) of
466 subsection (a) of section 3-62h of the general statutes, as amended by
467 this act, for development of quality rental housing and
468 homeownership for low and moderate income families or persons. The
469 financial assistance made under the housing trust fund program shall
470 be paid from the Housing Trust Fund for Economic Growth and
471 Opportunity established under subsection (c) of section 3-62h of the
472 general statutes, as amended by this act, and may be in the form of no
473 interest and low interest loans, loan guarantees, grants and appraisal
474 gap financings and other similar financings necessary to make rents or
475 home prices affordable. Financial assistance provided under this
476 section shall supplement (1) existing loan and tax credits programs
477 available under state and federal law, and (2) grants, loans or financial
478 assistance from any nonprofit or for-profit entity. Not less than thirty
479 per cent of all funds allocated by the authority in each fiscal year shall
480 be allocated to nonprofit entities.

481 (c) The resources of the program shall be made available, at least
482 semiannually, on a competitive basis in accordance with the written
483 procedures adopted pursuant to section 3 of this act.

484 (d) The authority may solicit contributions from private entities,
485 nonprofit and for-profit corporations, philanthropic organizations and
486 financial institutions, to support and expand the resources available
487 through the Housing Trust Fund for Economic Growth and
488 Opportunity.

489 (e) Financial assistance awarded in each fiscal year under said
490 program from the proceeds of abandoned property fund bonds shall
491 be not more than ten million dollars plus investment earnings credited
492 to the Housing Trust Fund for Economic Growth and Opportunity for
493 the prior fiscal year allocable to such proceeds. Any contribution to the
494 Housing Trust Fund for Economic Growth and Opportunity made
495 pursuant to subsection (d) of this section, shall be distributed as
496 specified by its contributor. In each fiscal year that the Housing Trust
497 Fund for Economic Growth and Opportunity has funds available for
498 distribution, the authority shall allocate from said fund three hundred
499 thousand dollars for funding matching grants to be dedicated to
500 funding purchases of primary residences pursuant to the provisions of
501 sections 31-51ww to 31-51eee, inclusive, of the general statutes. Any
502 unexpended or unallocated amounts in the Housing Trust Fund for
503 Economic Growth and Opportunity for any fiscal year may be carried
504 over to the succeeding fiscal year and adjustments may be made for
505 short fiscal periods.

506 (f) The authority shall prepare and submit an annual report to the
507 Treasurer and Office of Policy and Management concerning the
508 activities for the prior fiscal year of the housing trust fund program
509 and the Housing Trust Fund for Economic Growth and Opportunity
510 and the efforts of the authority to obtain private support for housing
511 developments financed by the Housing Trust Fund for Economic
512 Growth and Opportunity.

513 (g) (1) Not more than thirty days after the effective date of this
514 section, the board of directors of the Connecticut Housing Finance
515 Authority shall establish the housing trust fund program advisory
516 committee. Said committee shall advise the authority on development

517 of written procedures required pursuant to section 3 of this act. The
 518 committee shall consist of seven members appointed by the board of
 519 directors of the authority, from each of the following: (1) A nonprofit
 520 or for-profit housing development community, (2) a community
 521 development financial institution, (3) the Connecticut Housing
 522 Coalition, (4) an elected or appointed official of a municipality with a
 523 population of less than fifty thousand, (5) an elected or appointed
 524 official of a municipality with a population between fifty thousand and
 525 one hundred thousand, (6) an elected or appointed official of a
 526 municipality with a population in excess of one hundred thousand,
 527 and (7) the employers of the state, which may be satisfied by the
 528 appointment of a representative from a state business and industry
 529 association or regional chambers of commerce.

530 (2) Upon adoption of written procedures required pursuant to
 531 section 3 of this act, the committee shall meet at least semiannually and
 532 shall advise the authority on the administration, management and
 533 objectives of the housing trust fund program.

534 Sec. 3. (NEW) (*Effective from passage*) The Connecticut Housing
 535 Finance Authority shall adopt written procedures, in accordance with
 536 the provisions of section 1-121 of the general statutes, to implement the
 537 provisions of section 2 of this act. Such procedures shall set forth the
 538 criteria for rating various proposals for funds under the housing trust
 539 fund program and establish other provisions for the administration of
 540 said program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-62h
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

HSG Joint Favorable Subst. C/R

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